

LAW AND PARLIAMENTARY AFFAIRS SECRETARIAT

GOVERNMENT OF MYSORE

No. LAW. 56 LCR. 1973, Bangalore, dated 4th July, 1973

NOTIFICATION

The Governor of Mysore is pleased to order that the Wealth-Tax. (Second Amendment) Rules, 1973 which has been published in the *Gazette of India*, Extraordinary Part II, Section 3, sub-section (ii), dated the 31st March 1973 be republished in the *Mysore Gazette*, for general information.

H. SUBBA RAO,

Under Secretary to Government,
Department of Law and Parliamentary Affairs.

GOVERNMENT OF INDIA

CENTRAL BOARD OF DIRECT TAXES

NOTIFICATION

WEALTH TAX

New Delhi, the 31st March, 1973

S.O. 187(E).—In exercise of the powers conferred by Section 46 of the Wealth Tax Act 1957 (27 of 1957), the Central Board of Direct Taxes hereby makes the following rules further to amend the Wealth-Tax Rules, 1957, namely:—

1. (1) These rules may be called the Wealth-Tax (Second Amendment) Rules, 1973.

(2) They shall come into force on the 1st day of April, 1973.

2. In the Wealth-Tax Rules 1957, after rule 2 G, the following rules shall be inserted namely :—

“2H. Valuation of assets forming part of industrial undertaking.—(1) For the purposes of clause (xxxi) of sub-section (1) of section 5, the value of assets (not being any land or building or any rights in any land or building or any asset referred to in any other clause of that sub-section) forming part of an industrial undertaking belonging to the assessee shall be determined in the manner specified in sub-rule (2).

(2) (a) The value of each asset referred to in sub-rule (1), other than cash, shall be estimated to be the price which, in the opinion of the Wealth-tax Officer it would fetch if sold in the open market on the valuation date and the aggregate price so estimated as increased by the amount of cash shall be the value of such assets.

(b) Notwithstanding anything contained in clause (a), where, in respect of the business of the industrial undertaking, accounts are maintained by the assessee regularly, the Wealth-tax Officer may, instead of determining separately the value of each such asset, determine the value of such assets as a whole having regard to the balance-sheet of such business as on the valuation date and shall make adjustments therein as specified in rules 2B, 2C, 2D and 2G in so far as they are applicable.

*2-I. Valuation of interests in assets of industrial undertaking belonging to a firm or association of persons.—*For the purposes of clause (xxxii) of sub-section (1) of section 5, the value of the interest of the assessee in the assets (not being any land or building or any rights in any land or building or any asset referred to in any other clause of that sub-section) forming part of an industrial undertaking belonging to a firm or an association of persons of which the assessee is partner, or, as the case may be, a member, shall be determined as follows :—

(a) the value of such assets shall first be determined in the manner laid down in rule 2H as if the assets formed part of an industrial undertaking belonging to the assessee;

(b) the aggregate value of such assets as determined under clause (a) shall be reduced by the value of the debts owed by the firm or association which are secured on, or which have been incurred in relation to, such assets;

(c) that portion of the net value of such assets so arrived at as does not exceed the amount of the capital of the firm or association shall be allocated among the partners or members in the proportion in which capital has been contributed by them;

(d) the residue, if any, of the net value of such assets shall then be allocated among the partners or members in accordance with the agreement of partnership or association for the distribution of assets in the event of dissolution of the firm or association and, in the absence of such agreement, in the proportion in which the partners or members are entitled to share profits;

(e) the sum total of the amounts allocated to the partner or member under clause (c) and clause (d) shall be the value of the interest of that partner or member in such assets of the firm or association.

No. 686/F. No. 143(2)/73-TPE

G. B. BHARDWAJ, Secy.
Central Board of Direct Taxes.